Message Text

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P 201340Z APR 78 FM AMEMBASSY MADRID TO SECSTATE WASHDC PRIORITY 4284

UNCLAS MADRID 04250

SUBJECT: TRADE INQUIRY -- KAWASAKI USA EXPORTS TO SPAIN

REF: STATE 98038

1. WE DISCUSSED MATTER WITH MR. BERNARD HEIDERICH, MANAGER OF THE FIRM TALLERES HISPANO-ALEMAN, S.A. WHO PROVIDED FOLLOWING INFORMATION:

A. THIS FIRM HAS FOR YEARS IMPORTED KAWASAKI PRODUCTS FROM JAPAN. BECAUSE OF PRESSURE FROM LOCAL PRODUCERS MOTOR-CYCLES BECAME INCREASINGLY DIFFICULT TO IMPORT DIRECTLY FROM JAPAN; IMPORT LICENSES FOR THESE PRODUCTS WERE COMPLETELY SUSPENDED 1976. THE SPANISH MINISTRIES OF INDUSTRY AND COMMERCE THEN INFORMED MR. HEIDERICH THAT IF THE PERCENTAGE OF U.S. MANUFACTURE OF THE KAWASAKI MOTOR-CYCLES WHERE 30 PERCENT OR MORE, THE IMPORTS WOULD BE ALLOWED, AS LONG AS THE SPANISH FIRM COULD FURNISH THE APPROPRIATE CERTIFICATE OF ORIGIN ISSUED BY THE SPANISH CHAMBER OF COMMERCE IN THE U.S.

B. SINCE THEN THE SPANISH FIRM HAS BEEN IMPORTING KAWASAKI ON-ROAD MOTORCYCLES FROM THE U.S. WITHOUT DIFFICULTY UNTIL NOW.

C. ACCORDING TO MR. HEIDERICH, IT APPEARS THAT SPANISH UNCLASSIFIED

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MOTORCYCLE MANUFACTURES BECAME UPSET BY THE RELATIVE ABUNDANCE OF KAWASAKI ON-ROAD MOTORCYCLES IN SPAIN AND MANAGED TO OBTAIN A REPORT FROM AN UNDISCLOSED PRIVATE SOURCE IN THE U.S. WHICH STATES THAT KAWASAKI'S USAMANUFACTURED MOTORCYCLES DO NOT MEET THE 30 PERCENT CONTENTS REQUIREMENT. THIS CERTIFICATE OR REPORT APPARENTLY HAS BEEN SUBMITTED BY LOCAL MANUFACTURERS

TO THE SPANISH MINISTRIES OF COMMERCE AND INDUSTRY, THUS BLOCKING THE KAWASAKI IMPORTS.

- D. MR. HEIDERICH ALSO INDICATED THAT HE HAS REQUESTED APPOINTMENTS WITH THE MINISTERS OF INDUSTRY AND COMMERCE TO EXPLAIN THE SITUATION AND POINT OUT THAT IT IS ILLEGAL TO PROHIBIT THE IMPORTATION OF A COMMODITY FOR WHICH THERE IS AN APPROVED IMPORT LICENSE, A VALID CERTIFICATE OF ORIGIN AND WHEN THE EQUIPMENT HAS ALREADY BEEN PAID FOR BY IRREVOCABLE CREDIT. SO FAR THE APPOINTMENTS HAVE NOT BEEN GRANTED.
- E. MR. HEIDERICH POINTED OUT THAT THE GOVERNMENT, BASING ITS VIEW ON THE REPORT FROM THE PRIVATE U.S. SOURCE, ALLEGES THAT THE CERTIFICATES OF ORIGIN ARE NOT VALID. HE FURTHER SAID THAT CERTAIN OFFICIALS HAVE INSINUATED THAT HIS FIRM MIGHT HAVE BRIBED AN OFFICER OF THE SPANISH CHAMBER OF COMMERCE IN LOS ANGELES TO ISSUE THE TWO OFFICER (JORGE FUENTES) HAS SUBSEQUENTLY BEEN FIRED OR TRANSFERED. THE CERTIFICATES OF ORIGEN IN QUESTION WERE ISSUED ON JULY 21, 1977.
- 2. EMBASSY HAS ASKED FOR AN APPOINTMENT WITH DIRECTOR GENERAL OF IMPORTS (MINISTRY OF COMMERCE) TO DISCUSS THIS MATTER URGENTLY.

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3. U.S. DEPARTMENT OF COMMERCE DISTRICT OFFICE IN LOS ANGELES MAY BE ABLE TO PROVIDE INSIGHT ON ALLEGATIONS IN PARAGRAPH 1 (C) AND (E) ABOVE. STABLER

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